ADDITIONAL INFORMATION

For more information about the Dental Plan and your rights under the Plan, please refer to the section entitled, "Plan Administration".

DEFINITIONS

COVERED EXPENSES/SERVICES

The ***usual, reasonable and customary*** charge for a dental service that is necessary for the care and treatment of the teeth and gums or for the purpose of maintaining good oral hygiene. The service or treatment must meet widely accepted dental standards.

IMMEDIATE FAMILY MEMBER

Your immediate family members include your spouse, parents, children, brothers, sisters and anyone who resides in your home. Your immediate family members also include your spouse's parents and siblings.

QUALIFIED DENTAL PROFESSIONAL

Any of the following professionals who are licensed and acting within the scope of their licenses:

- dentists (D.D.S. or D.M.D.)
- denturists
- dental hygienists

USUAL, REASONABLE AND CUSTOMARY

Fortis Benefits Insurance Company determines the ***usual, reasonable and customary*** charge for a covered dental service based on the following criteria:

- *the usual fee* – the fee the dentist (or other qualified provider) charges the majority of his or her patients for the same service
- *the customary charge* – the fee charged for the same service by most other equally qualified professionals in the locality
- *the reasonable fee* – the appropriate fee based on the complexity of the service, degree of skill required and any other pertinent factors. The reasonable fee applies if the service or supply is so unusual that FBIC cannot determine the usual and customary charge for it.

Section Five: Flexible Spending Accounts — Schedule of Benefits

Eligible Group	Health Care Account	Dependent Care Account
All	Minimum – $150 a year Maximum – $5,000 a year	Minimum – $150 a year Maximum – $5,000 a year ($2,500 for married filing separate tax returns)

NOTE: The company deducts contributions for these accounts from your pay in equal installments throughout the year. Any unused balance is forfeited 90 days after year end.

The minimum and maximum amounts are prorated for mid-year enrollment.

Section Five: Flexible Spending Accounts

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FLEXIBLE SPENDING ACCOUNTS: MAKING YOUR MONEY GO FARTHER BY USING BEFORE-TAX DOLLARS FOR CERTAIN EXPENSES

We all have certain out-of-pocket medical and dental care expenses that aren't covered by our insurance. Many of us have the additional cost of paying for the care of our dependents, so we are able to go to work. These expenses really add up. That's why the Flexible Spending Account (FSA) Plan was developed. This Plan lets you set aside before-tax dollars to pay for certain out-of-pocket medical, dental and dependent care costs.

This is a special tax-saving opportunity because the before-tax money in your account is not subject to federal income or Social Security taxes. By using untaxed earnings to pay for eligible expenses, you make your dollars go farther.

Clearly, the Flexible Spending Account can be very valuable to you and your family. But before enrolling, it is important that you understand not only the advantages, but the limitations of a FSA. There are legal limitations that restrict your ability to make changes once you enroll in the Plan. In addition, you will lose money that you don't use by the end of the calendar year. The advantages and limitations are explained below.

PLAN HIGHLIGHTS

There are two kinds of flexible spending accounts. You can participate in either one or both of these accounts.

- The Health Care Spending Account enables you to set aside up to $5,000 a year to pay for health care expenses that aren't reimbursable by a medical plan, dental plan or HMO.
- The Dependent Care Spending Account enables you to set aside up to $5,000 a year to pay for the cost of caring for a dependent, so you and your spouse can work.

The minimum you can contribute to either account is $150 per year.

ENROLLMENT

To participate in an FSA, you have to enroll each year during the annual enrollment period. You may contribute to either the Health Care Spending Account or the Dependent Care Spending Account or both accounts.

The amount you select for each account will be deducted from your paycheck in 24 equal installments over the year.

If you are a new employee, you can enroll during your initial enrollment period. If you enroll for the first time in the middle of the calendar year, the maximum you can contribute each period is $208.33.

How Much Money Should I Contribute To My Account?

This is an extremely important decision. You can use the "Health Care Account Worksheet" and/or the "Dependent Care Account Worksheet" to help you estimate your eligible expenses. These forms are included in your New Hire Enrollment kit and the Annual Enrollment kit. To make the FSA work in your favor, you must carefully estimate your expenses before enrolling in either account. Here's why:

- If you contribute more to the account than you claim in expenses, you will lose the excess money in your account.
- You can't transfer money from one account to the other.
- You can't carry a balance in your account forward from one year to the next.

In other words, if you don't use it, you will lose it! That's why you should be conservative when deciding how much to contribute to your flexible spending accounts.

Can I Change My Selections Once I Enroll?

The government limits your ability to change selections once you enroll. The only times you can change your selections for either of the flexible spending accounts are:

- During the annual enrollment period (changes take effect the following January 1), or
- Within 31 days of a "life event", as defined in the *Fortis Select* section of this book.

There are three basic rules to remember about changing your selections following a life event:

- You can't reduce your annual health care contribution to less than the amount you have already received from the Plan. For example, you elect to contribute $3,000 to the Health Care Spending Account during the annual enrollment period. You incur eligible expenses of $2,000 in March and are reimbursed from the Plan. You have a life event in April and want to reduce your FSA. You cannot reduce your FSA to less than $2,000 because you have already received that amount from the Plan.

- The Plan only pays for expenses incurred while you're participating. For example, you do not enroll in the Health Care Spending Account during the annual enrollment period. In April, you have a life event and decide to contribute $1,000 for the balance of the year. You could not receive reimbursement for an otherwise eligible expense you incurred in March because you were not participating in the Plan when you incurred the expense.

- The reimbursement you receive from the Plan depends on your contribution level at the time you incur the expense. For example, suppose you allocate $500 to the Health Care Spending Account during the annual enrollment period. Following a life event in April, you increase your annual contribution to $1,000. If you incurred $600 of otherwise eligible expenses in February, the Plan would reimburse you only $500 — because that was the maximum you were eligible to receive at the time you incurred the expense.

TAX CONSIDERATIONS

THE BEFORE-TAX ADVANTAGE: AN EXAMPLE

The table below shows the advantage of making before-tax contributions to a spending account. The tax rate shown is the 1997 tax rate and assumes that you're a married employee filing a joint return.

	With FSA	Without FSA
Earnings	$ 25,000	$ 25,000
FSA Contribution	– 2,000	– 0
Taxable Income	$ 23,000	$ 25,000
Estimated Federal Income Taxes*	– 3,450	– 3,750
FICA	1,760	– 1,913
Take Home Pay	$ 17,790	$ 19,337
Unreimbursed Expenses	– 0	– 2,000
Net Take Home Pay	$ 17,790	$ 17,337
Net Savings	**$ 453**	

** Based on a federal tax rate of 15% and assuming your contributions to the Flexible Spending Account are used to pay for qualified expenses.*

Please note — we are required by law to report amounts contributed to the dependent care spending account to the IRS. The amounts will appear on your Form W-2.

WILL MY SOCIAL SECURITY BENEFITS BE AFFECTED?

You may pay less in Social Security (FICA) tax if you participate in a Flexible Spending Account. If your pay is at or below the Social Security wage base ($65,400 in 1997), you will pay less Social Security (FICA) tax. If your FSA contributions reduce your pay to less than the Social Security wage base, you will pay less Social Security (FICA) tax. You don't pay Social Security tax on your spending account contributions. This may mean that your Social Security benefits at retirement, death or disability will be reduced. However, whether your Social Security benefit will actually be lower depends on a number of factors — like your current age, your earnings before participating in the Plan and future pay levels.

WHAT ABOUT STATE AND LOCAL TAXES?

Your state and local income taxes may also be reduced if you contribute to either of the flexible spending accounts.

THE HEALTH CARE SPENDING ACCOUNT

If you enroll in a Health Care Spending Account, you can set aside up to $5,000 in before-tax dollars and use this money to pay for expenses that aren't reimbursable by a medical plan, dental plan or HMO.

WHAT HEALTH CARE EXPENSES ARE ELIGIBLE?

You can use your Health Care Spending Account to pay for a wide variety of medical and dental expenses, including:

- Deductibles from your medical and dental plans
- Your share of expenses from your medical and dental plans
- Routine physical exams not paid by *Select Wellness* or your HMO
- Well-baby care expenses not paid by *Select Wellness* or your HMO
- Orthodontic expenses not paid by your dental plan
- Eye exams not paid by *Select Wellness*
- Eye glasses and contact lenses
- Hearing aids and batteries
- Radial keratotomy

For a more complete listing of health care expenses that the Internal Revenue Service has previously accepted as tax deductible and therefore eligible for reimbursement under the Health Care Spending Account, see the Appendix on page 12.

WHAT ABOUT HEALTH CARE EXPENSES FOR MY DEPENDENTS?

Expenses incurred by your qualified dependents can be submitted to your Health Care Spending Account. For the Health Care Spending Account, qualified dependents are defined as those who are your dependents for federal income tax purposes. This means a relative or anyone whose primary residence is your home and who is a member of your household, as long as you provide more than one half of the individual's support. This definition of a dependent is different from the definition used for other Fortis Select benefits and the Dependent Care Spending Account.

What Health Care Expenses Are NOT Eligible?

In general, you cannot use the money in your Health Care Spending Account to pay for:

- Expenses which are reimbursable under other benefit or insurance plans including Medicare and Medicaid
- Non-prescription drugs and over-the-counter health aids (including those recommended by your physician)
- Expenses incurred by anyone other than you or your qualified dependents
- Swimming or dance lessons
- Diaper service
- Health club dues
- Smoking cessation plans
- Weight loss programs
- Cosmetic procedures
- Medical and long term care insurance premiums
- Expenses that wouldn't be deductible on your federal income tax return

THE DEPENDENT CARE SPENDING ACCOUNT

The purpose of the Dependent Care Spending Account is to help pay for the care of your "eligible dependents" if that care enables you to work. If you're married, dependent care expenses are eligible for reimbursement if the care enables your spouse to work or go to school full-time (at least five months a year). Expenses are also eligible if your spouse is disabled.

You can contribute up to $5,000 a year to your Dependent Care Spending Account. This maximum is reduced to $2,500 if you're married and file separate federal income tax returns. If you are married and file a joint return, your maximum annual contribution is the lesser of your earnings or your spouse's earnings, up to $5,000.

If your spouse does not work, but is either disabled or a full-time student, the IRS considers your spouse's income to be:

- $200 a month if you have one eligible dependent
- $400 a month if you have more than one eligible dependent.

When using this formula to calculate your spouse's earnings, you can only count the months during which your spouse is actually attending school or is disabled. For example, if your spouse is a full-time student for five months and you have one eligible dependent, the IRS will consider your spouse's earnings for the year to be $1,000 ($200 times five months). So the maximum you can contribute to your Dependent Care Spending Account that year would be $1,000.

If your spouse loses his or her job, you are usually no longer eligible to participate in the Dependent Care Spending Account. In this case, contact your local Human Resources/Benefits Department immediately to stop the deductions from your paycheck.

What Is The Definition of An "Eligible Dependent" Under This Plan?

Under IRS regulations, "eligible dependents" for the dependent care spending account include:

- Children under age 13
- A disabled spouse, as defined by the IRS
- Any other disabled relatives or household members who
  - live in your home (for adults to qualify, they must spend at least eight hours a day in your home)
  - are physically or mentally unable to care for themselves, and
  - are claimed as your dependents for federal income tax purposes

Please note that this definition of a dependent is different from the definition in the other *Fortis Select* Plans and the Health Care Spending Account described in the previous section.

What Are Eligible Dependent Care Expenses?

Dependent care services may be provided inside or outside your home by anyone except:

- Your spouse
- Your child under age 19
- Anyone who is your dependent for federal income tax purposes

Some examples of eligible expenses include payments for:

- Nursery schools
- Day care centers for children or dependent adults (if you use a day care center, it must comply with all state and local laws)
- Other individuals, such as neighbors or health aids
- A housekeeper inside your home whose duties include household services related to taking care of an eligible dependent
- Social Security or other taxes you pay on behalf of a provider of care

When you submit a claim for reimbursement from your Dependent Care Spending Account, you must give the name, address and Social Security or tax payer identification number of the individual or organization you use for dependent care services (unless it is a tax-exempt organization). If you use a tax-exempt organization, you'll need to indicate that information on both your claim and your tax return.

What Dependent Care Expenses Are NOT Eligible?

You can't use the money in your Dependent Care Spending Account to pay for:

- Food, clothing and education
- Transportation between your home and the place where care is provided
- Overnight summer camp
- Medical and dental expenses, or
- Expenses for which you claim a tax credit

How Will My Dependent Care Tax Credit Be Affected If I Enroll In This Plan?

The federal tax code allows you to claim an income tax credit for certain child care expenses. You can't claim that tax credit if you are also being reimbursed for those expenses from your Dependent Care Spending Account. In other words, you can't use the same expenses for both. The expenses you use for a dependent care tax credit reduce — dollar-for-dollar — any amount you can receive from the Dependent Care Spending Account.

This is another good reason to use conservative estimates when you're deciding how much to put into your Dependent Care Spending Account. While IRS regulations dictate that you forfeit any unused funds in your Dependent Care Spending Account, you face no risk of forfeiture with respect to the tax credit.

Before deciding whether to use the Dependent Care Spending Account or the tax credit, you may want to talk to your tax advisor about which method is best for you.

PLAN PAYMENTS

How Do I File Claims?

CIGNA processes all Flexible Spending Account (Health Care and Dependent Care) claims. If you are enrolled in Medical Plan B or C and file your own claims, your deductible and coinsurance can be automatically transferred from the medical claims processing system to the FSA system. All you have to do is check the box, sign and date the bottom of the CIGNA Group Medical Direct Reimbursement Claim Form. If your provider files your claims directly with Cigna, you must complete a Health Care Reimbursement Account Request form. The form and a copy of your Explanation of Benefits should be sent to the address below. Claims for other services, including Medical Plan copays, dental expenses and dependent care expenses must be submitted to:

Connecticut General Life Insurance Company
CIGNA Reimbursement Accounts
P.O. Box 2370
Pittsburgh, PA 15230-2370

All claim forms are available from your Human Resources/Benefits Department. To contact the FSA unit, call **1-800-982-8958**.

When Are Payments Made?

The FSA Plan operates on a calendar year basis. That means that any eligible expense you incur in 1997 can only be reimbursed with contributions you make in 1997. But, you have until March 31st of the following year to submit your claim for expenses incurred the year before. So, you have until March 31, 1998 to submit claims for 1997 expenses.

You can submit claims in any amount. However, the FSA claim system will not issue you a check until your reimbursement equals at least $25. The only time a check will be issued for less than $25 is when the amount being reimbursed exhausts your account balance, or at the end of the plan run out period (March 31 following the end of the plan year.) Claims will be processed as they are received and checks will be issued every Wednesday. The check will be sent to your home via first class mail.

Some providers bill in advance of when the services are performed. For example, a day care center may bill you in February for child care services for March. IRS regulations do not allow CIGNA to issue reimbursement checks before the services are actually performed. Therefore, you should ask your provider to break the charges down on a weekly or semi-monthly basis. Otherwise, CIGNA cannot reimburse you for these expenses until April.

Health Care Reimbursements

You can be reimbursed for the full amount of your eligible Health Care Spending Account expenses up to the amount you decided to contribute for the full year — no matter what amount you've actually paid into the account at the time of the claim.

So, let's say you are enrolled in Plan A and decide to put $300 into your account for 1997. Each month starting in January, the company will deposit $12.50 each pay period (1/24 of $300) into your account. Then, in February, you have surgery and your out-of-pocket expenses equal $200. You could submit the claim immediately and be reimbursed for $200 — even though you only have $50 in your account at that time. The company simply continues to deduct the remainder of your contribution from your earnings in equal semi-monthly installments.

Dependent Care Reimbursements

You can only be reimbursed for expenses up to the amount you've already contributed to your account at the time of the claim. If you have an eligible expense of $750 but only have $500 in your account, you will only be reimbursed $500. The remaining $250 would be carried forward to the next payment date. Then you would receive another reimbursement up to the new balance available in your account.

If you have a balance in your Dependent Care Spending Account when you leave the company, you can continue to claim expenses for eligible services incurred during the remainder of the calendar up to your unused balance.

If I Don't Use All The Money In My Account, Will I Really FORFEIT It?

YES. That is why it's very important that you estimate your eligible expenses carefully. If your eligible expenses for the year are less than the amount you contribute to either your Health Care Spending Account or your Dependent Care Spending Account, you will lose the excess money in your account at the end of the year. And, the IRS does not allow you to transfer funds from one account to another.

For example, suppose you elect to contribute $1,000 to your Health Care Spending Account and an additional $3,000 to your Dependent Care Spending Account for 1997. If you had eligible health care expenses of $600 and eligible dependent care expenses of $3,750 this is what you would receive:

From your Health Care Spending Account —	$ 600
From your Dependent Care Spending Account —	$ 3,000

You would forfeit the remaining $400 in your Health Care Spending Account. And, the maximum you could receive from the Dependent Care Spending Account is $3,000 because, in this example, that is the amount you elected to contribute for the year.

You will also forfeit any monies remaining in either of your accounts if CIGNA does not receive your claims by March 31st of the following year.

WHEN PARTICIPATION ENDS

Your participation in the Flexible Spending Account will end

- at the end of the calendar year
- when you retire,
- when your employee status changes to an ineligible status [e.g., your work schedule is reduced to less than 20 hours per week (30 hours at ASG and ALAC)],
- you receive short term disability payments, unless you make after-tax contributions,
- you take an unpaid personal leave of absence
- you take an approved FMLA leave, unless you make after-tax contributions
- you leave the company.

CONTINUATION OF PARTICIPATION UNDER COBRA

Under federal law, you and your eligible dependents can continue to participate in the Health Care Spending Account if your coverage ends under certain circumstances.

The federal law that provides this opportunity is the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Your contributions to a Health Care Spending Account during the COBRA continuation period are made with after-tax dollars. The terms and conditions that apply to COBRA coverage are described in "*Fortis Select*".

ADDITIONAL INFORMATION

You can find additional information about your Flexible Spending Account Plan in "Plan Administration"

APPENDIX

Examples of Tax Deductible Health Care Expenses

Following is a list of expenses which the Internal Revenue Service has considered deductible for income tax purposes in the past. It is included here to help you estimate your eligible medical expenses under the Health Care Spending Account.

- **Professional Services of a**
  - Physician
  - Chiropractors
  - Christian Science Practitioner
  - Dentist
  - Oculist
  - Osteopath
  - Practical or other nonprofessional nurse for medical services only. This does not include costs for custodial care (assistance with activities of daily living such as feeding, dressing and bathing).

- **Equipment and Supplies**
  - Abdominal supports
  - Ambulance
  - Arch supports
  - Artificial limbs/teeth
  - Autoette (auto device for handicapped person), but not if it is used for travel to job or business
  - Back supports
  - Contact lenses needed for medical reasons, including cost of equipment and materials required for using contact lenses, such as saline solution and enzyme cleaner.
  - Cost of installing stair-seat elevator for person with heart condition
  - Crutches
  - Elastic hosiery
  - Eyeglasses
  - Fluoridation unit in the home
  - Hearing aids
  - Invalid chair
  - Orthopedic shoes
  - Reclining chair if prescribed by a doctor
  - Repair of special telephone equipment for the deaf
  - Sacroiliac belt
  - Special mattress and plywood bed boards for relief of arthritis of spine
  - Truss
  - Wig advised by a doctor as essential to the mental health of a person who lost all hair from a disease

- **Medical Treatments**
  - Acupuncture
  - Diathermy
  - Hydrotherapy (water treatments)
  - Sterilization
  - Vasectomy
  - Whirlpool baths

- **Miscellaneous**
  - Birth control pills or other means of birth control items prescribed by your doctor
  - Excess cost of Braille books over cost of regular editions
  - Convalescent home for medical treatment only
  - Fees paid to a health institution where the exercises, rubdowns, etc., taken are prescribed by a physician as treatments necessary to alleviate a specific physical or mental defect or illness
  - Guide dog and its maintenance
  - Nurse's board and wages, including Social Security taxes you pay on wages
  - Remedial reading for a child suffering from dyslexia
  - Sanitariums and similar institutions
  - Special school costs for physically and mentally handicapped children
  - Transplant donor's or potential donor's expenses
  - Telephone/teletype costs and television adapter for closed caption service for a deaf person
  - Wages of a guide for a blind person

For more information refer to Internal Revenue Service Publication 502 — "Medical and Dental Expenses" and other IRS publications. You can also contact the IRS directly.

Section Six: Disability Plan — Schedule of Benefits

Salary Continuation

Employee Group	Duration	Benefit
All Employees (except Time Insurance Company non-exempt)	Weeks 1 – 13	100% of Base Pay
Time Insurance Company non-exempt employees	0 – 7 days* 8th day – week 13	0% of Base Pay 66.67% of Base Pay

Short Term Disability

Employee Group	Duration	Benefit
All Companies	Weeks 14 – 26	60% of Base Pay

Long Term Disability

Employee Group	Waiting Period	Benefit	Maximum Benefit	Benefits Continue
All Companies	Six Months	60% of Plan Pay	$10,000 a month	To age 65

**Attendance bonus/sick days may be used during the waiting period. When you have used up your attendance bonus/sick days, vacation may be used.*

Section Six: Disability Benefits

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DISABILITY BENEFITS: PROTECTING YOUR INCOME IF YOU'RE UNABLE TO WORK

Imagine being unable to work for a period of weeks, months or even years because of an illness or injury. How would you pay for housing, food, and everyday expenses? Your savings? The fact is, few people have enough saved for this kind of financial crisis, and no one wants to drain the savings they've worked so hard to put away.

That's exactly what *Fortis Select* disability benefits are all about: protecting yourself and your family from financial loss if you're disabled. Disability benefits replace a portion of your earnings when you're unable to work because of an illness, injury or pregnancy. This Plan forms a financial safety net that could make a world of difference to you and your family if you became disabled.

REHABILITATION BENEFITS: HELPING YOU RETURN TO WORK

There's another kind of support you receive if you're disabled — rehabilitation benefits to help you return to work.

Most people who suffer a disabling illness or injury are eager to recover and return to gainful employment as soon as possible. For some, the road to recovery is a difficult one, involving physical therapy and, in certain cases, re-training for a different kind of job altogether.

At Fortis, we regard employees as our most valuable asset and are committed to helping preserve that asset. For this reason, we have designed our short and long term disability programs to provide the benefits you need for a successful rehabilitation, including medical expenses, educational expenses, job search assistance, family care — even moving expenses if necessary.

To further encourage you in your progress toward rehabilitation, the short and long term disability programs will increase your benefit payments when you are participating in an approved rehabilitation plan. But, if you don't follow through on your rehabilitation plans, you risk losing your disability benefits. Your rehabilitation benefits are explained fully in the following pages.

PLAN HIGHLIGHTS

This section gives you a brief overview of the three disability programs, how they work, what they cost and how to enroll. Be sure to read the more detailed description on the following pages. Important terms are printed in bold, italics and are defined at the end of the section.

Salary Continuation

Salary continuation benefits are your first line of defense if you're disabled for at least seven consecutive days because of an illness, injury or pregnancy. Salary continuation benefits replace all or part of your base pay, and are taxed as regular income.

How much of your salary will you get and for how long? That depends on your employee classification. Check the Schedule of Benefits in the front of this section, which shows the salary continuation benefits for both exempt and non-exempt employees. Salary continuation benefits are offset by any workers compensation and state-mandated temporary disability benefits you receive.

Short Term Disability

If you're still disabled (see definition on page 3) at the end of your salary continuation period, short term disability benefits will equal 60% of your semi-monthly base pay, to a maximum of $5,000. You may receive short term disability benefits for up to 13 weeks. These benefits are offset by any workers compensation, Social Security, and state-mandated temporary disability benefits you receive.

Long Term Disability

Long term disability benefits begin after your short term disability benefits are exhausted, if you are still disabled. They can continue as long as you remain disabled (as defined on page 6), until you reach age 65. Special rules apply if your disability begins at or after age 60. There are also special rules if disability is due to a mental or nervous condition, substance abuse or a pre-existing condition.

Long term disability benefits replace 60% of your monthly ***plan pay***. ***Plan pay*** is generally your annual base pay plus the short term incentive bonus paid during the last compensation cycle. (See "Definitions" on page 13 for a precise explanation of ***plan pay***.) The maximum benefit is $10,000 per month.

COST

How Much Will My Coverage Cost?

Salary Continuation is paid in full by the company. The cost is not reflected in your *Select Credits*.

Short Term Disability (STD) coverage is also paid for by the company. Each pay period, the company adds enough *Select Credits* to your income to pay your STD premium. The company then deducts the premiums from your paycheck on an after-tax basis. This makes the benefits you receive under the program tax-free to you.

Long Term Disability (LTD) coverage may also be paid for by the company. If the company pays for your coverage, your benefits will be taxable to you.

You do have the option, however, of paying for your coverage with after-tax contributions. If you choose this alternative, any benefits you receive will be tax-free. The *Select Credits* which the company provides for your LTD coverage can be used to pay for other before-tax benefits or added to your income each pay period. You will be taxed on any *Select Credits* you receive as cash.

ENROLLMENT

How Do I Enroll?

For the salary continuation plan, you are automatically covered.

For Short Term Disability coverage, you are automatically enrolled under the *Fortis Select* Program.

For Long Term Disability coverage, you are automatically enrolled under the *Fortis Select* Program. You must choose whether you prefer to pay for this coverage on a before-tax or after-tax basis as described above.

Each year during the annual enrollment you can decide whether to have the company pay for your LTD coverage or to pay for the coverage with after-tax payroll deductions.

SALARY CONTINUATION AND SHORT TERM DISABILITY PROGRAMS

What Is Disability?

You are considered disabled if you are under the regular care and attendance of a doctor, and if you qualify for a disability benefit under either the:

- Occupation Test, or
- Earnings Test

To qualify under the Occupation Test, you must be unable to perform at least one of the material duties of your regular occupation due to an injury, illness or pregnancy.

Under the Earnings Test, you will be considered disabled — even if you're actually working — if you are unable to earn more than 80% of your base pay in any occupation for which your education, training or experience qualifies you due to an injury, sickness or pregnancy.

The company may require that you be examined as often as we require at any time we choose. We will pay for any exam we require.

When Will My Benefits Start?

If you are disabled and on an approved leave of absence of at least seven consecutive days, salary continuation benefits will be retroactive to the start of your leave. (Please note: salary continuation benefits for non-exempt employees of Time Insurance Company begin on the 8th day of disability.) If you are disabled for a shorter period of time, you may be eligible for benefits under your company's sick day or essential absence program. Please refer to your Employee Handbook for more details on these programs.

Your short term disability benefits will begin on the later of:

- the 92nd day of disability, or
- the day after your salary continuation benefits end.

How Much Will I Receive?

Benefits for salary continuation and short term disability are based on your base pay as of the last day you worked. If you are eligible for a salary increase while receiving these benefits, the increase will not effect your benefits. The chart below outlines the amount and the duration of the salary continuation and short term disability benefits. These benefits will be reduced by the Other Sources of Income listed on page 9.

Salary Continuation	Duration	Benefit
All employees (except non-exempt employees of Time Insurance Company)	Weeks 1-13	100% of base pay
Non-exempt employees of Time Insurance Company	0-7 days* 8th day-week 13	0% of base pay 66.67% of base pay

** Attendance bonus/sick days may be used during the waiting period. When you have used up your attendance bonus/sick days, vacation days may be used.*

Short Term Disability	Duration	Benefit
All employees	Weeks 14-26	60% of base pay

The maximum semi-monthly benefit under the Short Term Disability Plan is $5,000.

Do I Pay Taxes On My Benefits?

Salary continuation benefits are taxed as ordinary income.

Short term disability benefits are not subject to federal income or Social Security (FICA) taxes.

What If I Can Work Part-Time During My Disability Period?

If you qualify for disability benefits under the Earnings Test, your salary continuation and short term disability benefits will not be reduced by your earnings unless the combination of your benefits, other sources of income outlined on page 9 and your earnings is greater than 100% of your ***pre-disability earnings***.

In addition, the duration of your salary continuation benefits will be extended beyond the maximum benefit period for the time you work during this period.

What Happens If I Become Disabled Again?

If you become disabled again after you return to active work, the same ***period of disability*** will continue if:

- the later disability results from the same or related cause and you return to work for less than two weeks, or;
- the later disability is due to a different cause and you return to work for less than one day.

If your return to work meets either of these conditions, the maximum benefit period will continue on the day you become disabled again.

If you return to active work for more than the time shown above, and then become disabled again, you will start a new ***period of disability***. The maximum benefit period will start over.

Are There Any Disabilities That Are Not Covered?

These programs will not provide benefits for a disability that is:

- the result of war or any act of war whether declared or undeclared,
- the result of an intentionally self-inflicted injury (while sane or insane),
- incurred while you are committing an assault or felony.

When Will My Benefits End?

Benefits are payable for each ***period of disability***. Payments will only be discontinued if you:

- are no longer disabled
- are no longer under a doctor's care
- return to work at your regular, pre-disability schedule
- reach the maximum benefit period for the applicable program
- do not follow an appropriate treatment plan
- fail to cooperate fully with your rehabilitation plan without good cause
- do not comply with the Transitional Return To Work Provision as outlined on page 11
- do not submit medical evidence of your disability when asked to do so.

THE LONG TERM DISABILITY PROGRAM

What Is Disability?

For purposes of LTD benefits, you are disabled if you are under the regular care and attendance of a doctor and you qualify for a disability benefit under either the:

- Occupation Test, or
- Earnings Test

To qualify under the Occupation Test, you must be unable to perform at least one of the material duties of your regular occupation due to an injury, illness or pregnancy. After 30 months of disability, you must be unable to perform at least one of the material duties of each gainful occupation for which your education, training, and experience qualifies you.

Under the Earnings Test, you will be considered disabled — even if you're actually working — if you are unable to earn more than 80% of your ***plan pay*** in any occupation for which your education, training or experience qualifies you due to an injury, sickness or pregnancy.

Fortis Benefits Insurance Company may require you to be examined periodically at their own expense to confirm your continuing disability.

Are There Any Limitations To The Types of Disabilities Covered?

The LTD program will not pay benefits for any disability caused by a pre-existing condition until you have been actively at work for 12 consecutive months during which you are continuously insured under the Plan.

A pre-existing condition is a medical or dental condition for which you received treatment, services, or prescription medicine, including insulin, during the three months immediately before your coverage under the LTD program began.

When Will My Benefits Begin?

You will be eligible for LTD benefits on the later of:

- 26 weeks of disability, and
- the day after your STD benefits end.

How Much Money Will I Receive Under LTD?

Your benefit equals 60% of your covered monthly earnings; your covered monthly earnings equal 1/12 of your ***plan pay***. This is called your "gross benefit." Your gross benefit will be offset by your other sources of income outlined on page 9.

Your minimum monthly benefit is either 10% of your gross benefit or $100, whichever is greater. The program's maximum gross benefit is $10,000 per month.

An Example

Suppose you become totally disabled with covered earnings of $24,000 a year, or $2,000 a month. This is how the LTD program works.

To calculate your gross monthly LTD benefit:

Monthly covered earnings	$2000
times	
60%	x .60
equals	
Monthly Gross LTD Benefit	**$1200**

Social Security benefits are then deducted from your gross benefit: Let's say you and your dependents are eligible for $700 each month in Social Security disability benefits.

Gross LTD benefit	$1200
minus	
Social Security benefit	- 700
equals	
Your Net LTD Benefit	**$ 500**

As you can see, the combination of your net LTD benefit and Social Security benefit equals your gross LTD benefit.

Will I be taxed on my LTD benefits?

That depends on whether you chose to pay for the coverage on a before-tax or after-tax basis.

- If you choose before-tax LTD coverage, any benefits you receive are subject to federal income tax. Federal income tax will automatically be withheld from your monthly benefit payment by Fortis Benefits Insurance Company.
- If you choose after-tax LTD coverage, any benefits you receive are free from federal income tax.

You are responsible for paying any state and local income taxes which apply. No FICA tax is owed on your LTD benefits.

How Long Can I Receive Benefits?

You will continue to receive LTD benefits until you either recover or reach the maximum benefit shown on the following chart — whichever happens first.

If your age on the date your disability begins is	Maximum benefit period is
Age 59 or younger	To the day before your 65th birthday
Age 60, but before age 65	To the day before your 65th birthday or for 36 months, whichever is longer
Age 65, but before age 68	24 months
Age 68, but before age 70	18 months
Age 70, but before age 72	15 months
Age 72 or older	12 months

If you are disabled because of ***mental illness***, alcoholism or substance abuse, and are being treated on an outpatient basis, your maximum benefit period is 24 months. This is not a separate maximum for each such condition, or for each ***period of disability***. It is a combined maximum for all ***periods of disability*** and for all these conditions.

Benefits may be payable for more than 24 months, but not beyond the maximum benefit period in the above chart if you:

- are ***hospital-confined*** at the end of the 24-month period, and
- remain disabled.

Benefits will be payable for the length of your confinement and for up to 60 days following the end of your confinement. If you are ***hospital-confined*** again during the 60-day period for at least 14 consecutive days, benefits will be payable for the length of the second confinement and for up to 60 days following the end of the second confinement.

What Happens If I Become Disabled Again?

If you become disabled again after you return to active work, the same ***period of disability*** will continue if:

- the later disability results from the same or related cause and you return to work for less than six months; or
- the later disability is due to a different cause and you return to work for less than one day.

If your return to work meets either of these conditions, your LTD benefits will resume immediately. The maximum benefit period will continue on the day you become disabled again.

If you return to active work for more than the time shown above, and then become disabled again, you will start a new ***period of disability***. The maximum benefit period will start over.

What Happens To My Benefits If I Die?

The Plan will continue to pay your net monthly benefit to your eligible survivors for three months following your death.

Your eligible survivors include your lawful spouse and your unmarried children under age 21 or, if a full-time student, age 25. The Plan will not pay family survivor benefits to anyone other than an eligible survivor.

Your spouse will receive the full benefit. If you have no spouse, your unmarried children under age 21 or 25 (if full-time students) will receive equal shares of the benefit.

Are There Any Disabilities That Are NOT Covered?

The LTD program will not pay benefits for any time you are confined to any facility because you were convicted of a crime or public offense. In addition, the program will not provide benefits for a disability caused by:

- pre-existing conditions as described on page 6
- war or any act of war, whether declared or not
- intentionally self-inflicted injury, while sane or insane
- taking part in or the result of taking part in committing an assault or felony

OTHER SOURCES OF INCOME

Your salary continuation, short term disability, and long term disability benefits will be reduced by any benefits you receive or would have been eligible to receive from the following sources:

- any workers compensation or similar law,
- temporary disability benefits under state-mandated plans,
- disability benefits under the Social Security Act, including dependent benefits, payable because of your injury, sickness, or pregnancy,
- disability benefits from a government plan, other than Social Security,
- disability benefits you receive under a "no-fault" auto insurance policy
- group disability benefits from any other plan,
- benefits from the Fortis, Inc. Employees' Uniform Retirement Plan
- retirement benefits from a government plan,
- 50% of income from any work you do after the first 12 months (LTD only).

If you receive benefits from any source in a lump sum, Fortis Benefits Insurance Company will pro-rate it over the time which it accrued.

What Happens If I Don't Apply For The Other Sources of Income That I May Be Eligible For?

If you are eligible for any of the above sources of income or would be if you applied for them or had applied for them on time, your benefits from the Plan will be determined as if you were receiving benefits from these other sources, even if you are not receiving them.

Fortis Benefits Insurance Company (FBIC) will estimate the amount of your Social Security benefit. FBIC will continue to offset your Plan benefits by this estimate until they receive a denial of such benefits at the first level of appeal after an initial denial. If your initial claim for Social Security disability benefits is denied, FBIC can assist you in appealing the denial.

If the amount of benefits from any source is different from the amount FBIC used to determine your disability benefits under the Plan, they will adjust it. If FBIC paid you less than they should have, you will be paid the difference. If they paid you more than they should have, you must pay them the difference. FBIC may reduce your Plan benefits or stop paying benefits until the overpayment is recovered. (If they reduce or stop paying your benefits, the minimum benefit under the Long Term Disability Plan will not by payable.)

What Happens If I Receive a Cost of Living Increase in My Other Sources of Income?

Your disability benefits will not be reduced further if the amount of benefits from any other source changes because of a cost of living increase.

REHABILITATION

Our Disability Plan is designed to encourage you to remain working as long as possible, and return to work as soon as possible after a disability. Rehabilitation is an important part of our short term and long term disability programs.

Your efforts to be rehabilitated and rejoin the work force in a gainful way will be supported with an extensive array of benefits. If you and Fortis Benefits Insurance Company agree on a rehabilitation plan, your benefit will be increased by the lesser of 5% of your monthly ***plan pay***, and $1,000. You may also be eligible for the following:

- Medical expenses for treatment, physical therapy and adaptive equipment in excess of amounts paid under a medical policy or by third parties
- Education expenses for training in a new occupation, including tuition, books, computers and other equipment
- Moving expenses if, because of school or employment, you must move more than 35 miles
- Family care expenses of up to $350 a month for each family member so that you can work or be retrained
- Job search assistance and up to three months of additional benefits if you recover while unemployed.

At the same time we are providing these valuable rehabilitation benefits, we have also put in place several provisions which make the continuation of your disability benefits contingent upon setting up sound rehabilitation plans and sticking with them:

- Quality of Care Benefit provision ensures that an appropriate treatment plan is in place and that you comply with the plan. When there are several appropriate approaches, you and your doctor can choose the approach. If you don't follow the treatment plan without good cause, your benefits and coverage under the Disability Plan will be discontinued.

- Managed Rehabilitation Benefit provision encourages you to complete a successful vocational rehabilitation program and return to work in a gainful occupation. If you don't cooperate fully with your vocational rehabilitation plan (without good cause), benefits may be reduced or discontinued.

- Transitional Return To Work Provision encourages you to accept our offer to return to work on a limited basis. Disability benefits will end if you can do the limited work offered and you don't return to work as scheduled.

EXTENDED BENEFITS

If you are disabled on the date your short term and long term disability coverage ends, you may be eligible for benefits under these programs. You should contact your Human Resources/Benefits Representative for further details.

CLAIM FILING

Call your supervisor on the first day of your absence and on a regular basis after that. Your supervisor will contact the Human Resources/Benefits Department, which will arrange for your salary continuation benefits.

They will send you claim forms and complete instructions on filing claims under the Short Term and Long Term Disability Plan. Fortis Benefits Insurance Company will contact you for any additional information they need to process LTD benefits.

You can help make sure your payments begin promptly by filing your LTD claim as soon as you become aware that your disability is likely to extend beyond 26 weeks.

Benefits available under the *Fortis Select* Disability Plan offset those available to you under the Family and Medical Leave Act or similar state legislation.

For more information about your disability benefits or your rights under the Plan, refer to the "Plan Administration" section.

DEFINITIONS

HOSPITAL

A facility supervised by one or more doctors and operated under state and local laws. It must have 24-hour nursing service by registered graduate nurses. It may specialize in treating alcoholism, drug addiction, chemical dependency, or mental disease, but it cannot be a rest home, convalescent home, or a home for the aged.

HOSPITAL CONFINED

Hospital confined means staying in a *hospital* for 24 hours a day.

PERIOD OF DISABILITY

A period of disability is the time that begins on the day you become disabled and ends on the day before you return to active work.

Plan Pay

Plan pay for non-sales people is base salary plus the short term incentive bonus[1], if any, paid during the last compensation cycle. It does not include overtime, fringe benefits, commissions, long term incentive compensation and any other forms of pay.

Plan pay for salespeople at all business units other than Time Insurance Company is base salary plus sales bonuses and/or commissions paid from January 1 through December 31 of the preceding year. If you have been in a sales position with a Fortis company for less than a full calendar year, plan pay will be base pay plus a fixed amount determined by your company[2]. If you have a commission guarantee and you have worked for less than a calendar year, plan pay will be your base pay plus the guarantee.

For Regional Sales Managers at Time Insurance Company, plan pay is the greater of base salary plus the greater of:

- production bonuses paid from September, 1995 through August, 1996 or
- your first month's subsidy, annualized, if you were under a subsidy agreement in August of the previous calendar year.

Each plan year after 1997, the dates noted above move forward one year.

[1]At Time Insurance Company, plan pay will include Specialty Products Bonus, AGS Training Incentive, and Product Trainer Incentive Bonus paid in the prior calendar year.

[2]At UFL, your plan pay will be $18,000.

Mental Illness

Mental illness means neurosis, psychoneurosis, psychopathy, psychosis, depression, eating and sleeping disorders, or mental or emotional diseases or disorders of any kind including those caused by chemical imbalance. It does not include dementia, organic brain syndromes, delirium, amnesia syndromes or organic delusional or hallucinogenic syndromes.

Pre-Disability Earnings

This term means the monthly equivalent of your plan pay.

Section Seven: Life Insurance — Schedule of Benefits

• **Basic Life**	1 x Plan Pay*
• **Basic Accidental Death and Dismemberment**	1 x Plan Pay
• **Supplemental Life**	1 – 5 x Plan Pay Maximum $3 million (amounts over $1 require proof of good health) Premiums are age-related and based on tobacco use/non-use.
• **Supplemental Accidental Death and Dismemberment**	1 – 5 x Plan Pay Maximum $1.5 million
• **Dependent Life**	Spouse: $10,000 $25,000 $50,000 Child: $ 5,000 $12,500 $25,000
• **Business Travel Accident**	5 x Plan Pay Maximum $2 million.

**Employees who earn more than $50,000 can choose between one times plan pay and $50,000.*

Section Seven: Life Insurance

TABLE OF CONTENTS

LIFE INSURANCE: PROVIDING FOR YOUR FAMILY'S FINANCIAL SECURITY WHEN YOU'RE NO LONGER THERE TO PROVIDE FOR THEM

It's a question no one likes to ask. But how would your family afford to live if you were to die unexpectedly during your earning years?

The fact is, life insurance isn't really a benefit for you. It's for those you leave behind. Its purpose is to provide your family and others who depend on you for support with the financial resources they need to go on with their lives.

How much life insurance do you need? That depends on your particular circumstances. If, for example, you have a young, growing family, you'll probably want more life insurance than someone who is unmarried or whose children are grown.

With *Fortis Select* you can choose exactly the level of coverage that's right for you and your family.

PLAN HIGHLIGHTS

This section gives you a general overview of the life insurance options available to you with *Fortis Select.* Be sure to read the description in the following pages to find out more about your life insurance options. Important terms are printed in bold, italics and are defined at the end of this section.

If you should die:

- Basic life insurance equals one times your ***plan pay***. If your ***plan pay*** is more than $50,000, you can choose between basic life insurance of one times ***plan pay*** OR $50,000. The company pays the cost of this coverage.
- Supplemental life insurance offers you additional coverage in amounts ranging from one to five times your ***plan pay***.

If you should die or lose a limb or your eyesight in an accident:

- Basic accidental death & dismemberment (AD&D) insurance equals one times your ***plan pay***. The company pays the full cost of this coverage, as well.
- Supplemental accidental death & dismemberment insurance offers you additional AD&D coverage in amounts ranging from one to five times your ***plan pay***.
- Business travel accident (BTA) insurance provides additional benefits equal to five times your ***plan pay*** if you lose a limb or your eyesight or are killed while traveling on company business. The company pays the full cost of this coverage.

What About Coverage For My Dependents?

With *Fortis Select*, you can also purchase life insurance for your dependents. The options available to you under the dependent life insurance program are:

Spouse	$ 10,000	$ 25,000	$ 50,000
Dependent Child(ren)	$ 5,000	$ 12,500	$ 25,000

COST

How Much Will My Coverage Cost?

The company pays the full cost of your basic life, basic AD&D and business travel accident insurance.

If you choose, you may purchase supplemental life, supplemental accidental death & dismemberment, and dependent life coverage. To pay for this coverage, the company takes after-tax deductions from your paycheck.

The cost of your supplemental life coverage depends on four factors:

- the level of coverage you elect
- your ***plan pay***
- your age as of December 31st of the current plan year
- your tobacco use (tobacco users pay more).

The amount of coverage you receive is determined by your ***plan pay***, so its cost varies accordingly. If your ***plan pay*** changes during the year, the amount of your coverage, *Select Credits* and contributions will change, too. In other words, the higher your plan pay, the more you pay for coverage.

In addition, the cost of your coverage is determined by your age and your personal decision about using tobacco products.

ENROLLMENT

How Do I Enroll?

The company automatically provides you with basic life, basic AD&D and business travel accident insurance. If your ***plan pay*** is greater than $50,000, you can choose between basic life insurance of:

- one times ***plan pay***, and
- $50,000

The company provides enough *Select Credits* to pay for basic life insurance coverage of one times ***plan pay***. If you choose coverage of $50,000, you can use the excess credits to pay for other before-tax benefits or receive them as cash in your pay check. If you receive the credits as cash, they will be included in your taxable income.

You may also choose to enroll in supplemental life, supplemental AD&D or dependent life coverage.

You'll need to provide proof of good health before amounts over $1 million become effective. You will be insured for $1 million until your proof of good health is approved by Fortis Benefits Insurance Company.

What If I Want To Change My Coverage?

You can change your basic life insurance option during the annual enrollment period. However, proof of good health will be required if you increase your basic life coverage from $50,000 to one times ***plan pay***.

You may increase your supplemental life, AD&D and dependent life coverage at any time during the year. You can increase your supplemental life and dependent life coverage one level without providing proof of good health during the annual enrollment period or within 31 days of a life event — as long as your coverage is not greater than $1 million. You will need to provide proof of good health if:

- you increase coverage by more than one level,
- you increase coverage at times other than the annual enrollment period or a life event, or
- your coverage is greater than $1 million.

The Plan will provide coverage in an amount equal to the maximum amount you or your dependents can have without proof of good health, until the application is approved by Fortis Benefits Insurance Company.

NAMING A BENEFICIARY

Naming a beneficiary is an important decision which will affect your entire family, so choose your beneficiary carefully. You can name anyone you wish as your beneficiary. It could be your spouse or an eligible child. Your beneficiary will not only receive benefits from your basic life insurance coverage, they'll also receive any benefits available under your supplemental life, as well as death benefits from your accidental death and dismemberment or business travel accident insurance.

You are the beneficiary for dependent life insurance.

How Do I Name My Beneficiary?

To name your beneficiary, you'll need to complete a "Beneficiary Designation" form. You can obtain one from your Human Resources/Benefits Department. You can change your beneficiary at any time simply by completing a new beneficiary form.

You can choose one person or several to be your beneficiary. If you choose to have your benefits distributed among several people, you can arrange to have the benefits shared equally or according to a percentage of the total (for example, 60% to one person and 40% to another).

You may also choose to have primary and contingent beneficiaries. Primary beneficiaries are the person or persons who are "first in line" to receive benefits. A contingent beneficiary will receive benefits if your primary beneficiary dies before you do.

What If I Don't Have A Beneficiary?

If you do not name a beneficiary — or the person you've named is no longer living when you die, the ***insurance company*** may pay part of your life insurance benefits to any individual the company believes is entitled to it. For instance, the company may distribute a portion of your life insurance benefits to pay for expenses incurred during your last illness, or for your funeral. The company will pay the balance of the benefit to the following parties, in order:

- your lawful spouse
- your children, in equal shares
- your parents, in equal shares, or
- your estate.

How Is My Coverage Determined?

Your coverage under the Plan is based on a multiple of your ***plan pay***. Generally speaking, your ***plan pay*** is your base pay plus the short term incentive bonus paid during the last compensation cycle. If you're in sales, commissions and sales bonuses may also be included. The precise definition of plan pay varies by location.

Basic Life Insurance

If you earn $50,000 or less, the amount of your basic life insurance equals one times your ***plan pay*** rounded up to the next higher $1,000.

If you earn more than $50,000, you can choose between a basic life amount of one times ***plan pay*** rounded up to the next higher $1,000, and $50,000.

For coverage exceeding $1 million, you must provide proof of good health.

If you choose the $50,000 option, you will avoid imputed income on the amount above $50,000 (for an explanation of imputed income, see "Imputed Income" on page 11).

Your beneficiary will receive the full amount of your life insurance coverage when you die, regardless of cause.

Supplemental Life Insurance

You may purchase supplemental life insurance coverage equal to one, two, three, four or five times your ***plan pay***. The combined maximum benefit for your basic and supplemental life insurance is $3 million. Again, proof of good health will be required for coverage over $1 million.

Your supplemental insurance coverage will be paid along with your basic life insurance to your beneficiary when you die, regardless of cause.

Basic Accidental Death and Dismemberment (AD&D)

The amount of your basic AD&D coverage is one times your ***plan pay*** rounded up to the next higher $1,000. The maximum amount of AD&D coverage you can buy through *Fortis Select* (basic and supplemental coverage combined) is $1.5 million.

If you die as a result of an accident, your basic AD&D coverage pays 100% of the covered amount to your beneficiary. (Your beneficiary will also receive the full amount of your basic and supplemental life coverage.) If you lose a limb or your sight because of an accidental injury, the Plan will pay you as follows:

Covered Loss	Benefit
one hand, one foot, or the sight in one eye	one-half the amount of your AD&D coverage
any two (or more) of the above losses	the full amount of your AD&D coverage
thumb and index finger of the same hand	one-fourth the amount of your AD&D coverage

You (or your beneficiary) will receive benefits under this Plan for losses sustained within one year of a covered accident. The maximum benefit for all losses sustained in any one accident is the face amount of your AD&D coverage.

Supplemental Accidental Death and Dismemberment (AD&D)

You can purchase supplemental AD&D coverage equal to one, two, three, four or five times your ***plan pay***. The combined maximum benefit of your basic and supplemental AD&D insurance is $1.5 million.

The Supplemental AD&D Plan pays benefits exactly the same way as the Basic AD&D Plan described in the preceding section.

Business Travel Accident Insurance (BTA)

Business travel accident insurance pays benefits if you should die, lose your sight or limb(s) as a result of traveling on company business. The amount of your BTA coverage equals five times your ***plan pay*** rounded up to the next higher $1,000, to a maximum of $2 million. This is called your principal sum.

If you're 70 or older and suffer a loss resulting from a covered accident, your benefit will be as follows:

Age at the time of covered loss	Percentage of principal sum
70 - 74	65
75 - 79	45
80 - 84	30
85 - 89	15

Just as with AD&D, the amount of your BTA benefit depends on the nature and extent of your loss, as follows:

Covered Loss	Benefit
life	full amount of your principal sum
one hand, foot or loss of sight in one eye	one-half of your principal sum
two (or more) of the above	the full amount of your principal sum
thumb and index finger on the same hand	one-fourth of your principal sum

The Plan will pay for any losses that result within one year of a covered accident. The maximum benefit you can receive for losses sustained in any one accident is the full amount of your coverage.

Are There Any Limits To My Coverage?

There is a limit of $15 million for all losses resulting from the same accident. So, if several company employees traveling together are involved in the same accident, the total benefit paid to all employees and/or beneficiaries cannot exceed $15 million.

What Types Of Accidents Are Covered?

The BTA plan provides you with coverage for accidents that occur while you are traveling on company business. This includes any authorized business trip. It does not include, however, accidents which occur while you are:

- commuting between your home and your normal place of business
- making a personal side trip

Calculating Your Coverage

When calculating your coverage as a multiple of your ***plan pay***, round the coverage amount to the next higher $1,000. Here's an example: your ***plan pay*** is $23,250 and you select supplemental coverage equal to two times your ***plan pay***. Your basic life insurance would be $24,000. Your supplemental life insurance would be $47,000 (2 X $23,250 = $46,500, then rounded to the next higher $1,000).

Your basic and supplemental accidental death and dismemberment and business travel accident coverage is calculated in the same fashion.

Dependent Life Insurance

You can select any of the following levels of coverage on your spouse and child(ren):

Spouse	Child(ren)
$ 10,000	$ 5,000
25,000	10,000
50,000	25,000

The amount of coverage you choose for your dependents can't be more than one-half the amount of coverage on your own life.

If you decide to enroll your children, all your eligible children are covered. You do not need to enroll them separately. Dependent life insurance pays benefits to you if a covered dependent dies, regardless of the cause.

A person cannot be covered under *Fortis Select* as both an employee and a dependent. If you and your spouse are both employees, only one of you can cover your dependent children under *Fortis Select*.

Accelerated Benefit

Basic and supplemental life and dependent life insurance contain an accelerated benefit provision. This provision allows you to receive a portion of your life insurance benefit **before** death under certain circumstances. Its purpose is to help pay for medical and living expenses if you become terminally ill.

Here's how it works. Suppose you (or, in the case of dependent life, your covered spouse) were to become terminally ill. You may apply for partial payment of the life insurance benefit to help cover medical and living expenses. You may receive up to one-half the amount of your life insurance coverage, up to a maximum of $250,000. The minimum partial payment you can receive is $5,000.

How Is Terminal Illness Defined For This Benefit?

You or your covered spouse will be considered terminally ill if your doctor determines that you have a life expectancy of 12 months or less and are:

- permanently confined to a nursing home and have resided there for at least 60 days or
- (you only) approved for a premium waiver under this policy's premium waiver provision before age 60, or
- (your spouse only) ***disabled*** before age 60 and remains ***disabled*** for six months.

Fortis Benefits Insurance Company will deduct any accelerated benefit and earnings on the accelerated benefit from the death benefit payable under the Plan.

Waiver of Premium

What Happens If I Become Disabled?

If you are ***disabled*** before age 65 and remain so for six months, you may be eligible for the waiver of premium provision under the Basic, Supplemental and Dependent Life Insurance Plans. If approved, your coverage will continue as follows:

If you become disabled	Your insurance will continue
• before age 60	• for as long as you are ***disabled***
• at or after age 60 but before age 65	• for up to one year

Fortis Benefits Insurance Company will contact you if you are approved for this extension.

Your insurance will not continue if your ***disability*** results from:

- intentionally self- inflicted injury, while sane or insane
- war or any act of war, whether declared or not
- service in the armed forces of any country
- taking part in a riot or insurrection

Your premiums will be waived back to the start of your ***disability*** and any premiums you paid during the six month waiting period will be refunded to you.

HOW BENEFITS ARE PAID

Death benefits from your life insurance can be paid according to the wishes of your beneficiary as provided under the insurance policy. For example, your beneficiary can elect to be paid in either a lump sum or in installments.

Benefits paid to you under the AD&D, BTA or dependent life insurance are always paid in a lump sum.

EXCLUSIONS

Life Insurance: Your Basic, Supplemental and Dependent Life Insurance Plans will pay benefits, regardless of the cause of death. There are no exclusions.

AD&D: The Basic and Supplemental AD&D Plans do not pay benefits for certain losses, including those resulting from the following:

- any physical or mental disease
- any infection, except a pyrogenic infection that occurs from an accidental wound
- suicide or attempted suicide while sane or insane
- war or any act of war, whether declared or undeclared
- service in the armed forces of any country
- travel or flight in any kind of aircraft, including any aircraft owned by or for the company. This exclusion does not apply to travel as a fare-paying passenger on a scheduled commercial airline or similar military transport.
- participation in a riot or insurrection
- an assault or felony you commit
- the use of any drug, unless you use it as prescribed by a doctor
- intentionally self-inflicted injury, while sane or insane.

BTA: Business travel accident insurance does not pay benefits for the following losses:

- suicide, attempted suicide or intentionally self-inflicted injury, while sane or insane
- war or acts of war, declared or undeclared
- active full time service in any armed forces
- taking part in a felony
- flight in any aircraft that is not licensed to carry passengers, or when you are acting as a member o f the crew
- any bacterial infection that was not caused by accidental cut, wound or food poisoning
- any illness, disease or bodily infirmity

IMPUTED INCOME

The Internal Revenue Service (IRS) requires that the value of your basic life insurance in excess of $50,000 be included in your annual gross income and shown on your Wage and Tax Statement (Form W-2). The company calculates the value of your basic life insurance each year, using a rate table provided by the IRS. The value of your insurance is called "imputed income". Your imputed income is subject to federal income taxes and Social Security (FICA) taxes.

Currently, only basic life insurance greater than $50,000 is subject to imputed income. If you want to avoid paying imputed income on your basic life insurance, you can elect the $50,000 level of coverage. However, if you reduce your basic life coverage and want to increase it to one times ***plan pay*** at a later date, you will have to provide proof of good health.

If premium rates for supplemental life insurance change, supplemental life may also be subject to imputed income.

FILING CLAIMS

You or your beneficiary should contact your local Human Resources/Benefits Department as soon as possible after the death or injury of anyone covered by the Plan. They will provide the necessary forms and instructions for filing a claim.

RETIREE LIFE INSURANCE

Your insurance under *Fortis Select* ends on the last day of the month in which you retire (special provisions may apply at Time Insurance Company). You can purchase life insurance coverage for yourself and your eligible dependents through the Fortis Retiree Life Insurance program. Under this program, you pay the full cost of the coverage.

You must apply within 31 days of your retirement. Your coverage starts on the later of:

- the day you meet all eligibility requirements and
- the 32nd day after your coverage through *Fortis Select* ends.

Fortis Benefits Insurance Company will bill you monthly for the coverage you elect under the Retiree Life Insurance Program.

How Much Will This Coverage Cost?

The cost of your coverage depends on your age, your spouse's age, and tobacco use. For current premium rates, please contact your Human Resources/Benefits Department.

How Much Coverage Can I Purchase?

The chart below shows the amount of coverage you can purchase for yourself and your eligible dependents.

	Coverage Amount	Maximum Coverage
For you	Multiples of $10,000	Lesser of: • $250,000, or • The amount of coverage you had as an active employee
For your spouse	Multiples of $5,000	Lesser of: • $50,000, or • 50% of your coverage amount
For your children	Multiples of $1,000	Lesser of: • $10,000, or • 50% of your coverage amount

The maximum amount of life insurance you can purchase for children from 14 days to six months of age is $500. And the maximum amount of coverage you can buy under the Retiree Life Insurance Program is reduced by any amount of *Fortis Select* life insurance you convert to an individual policy.

Do I Have To Provide Proof Of Good Health?

You'll need to provide Fortis Benefits Insurance Company with proof of good health if :

- you're age 60 or older when you retire and buy more than $10,000 of life insurance coverage for yourself, or
- you're under 60 when you retire and buy more than $20,000 of life insurance coverage for yourself.

You'll also need to provide proof of good health for any dependent life insurance coverage you purchase under this program.

How Are My Retiree Life Insurance Benefits Paid?

Fortis Benefits Insurance Company pays benefits to your beneficiary in the event of your death, regardless of cause.

There's also a provision for an accelerated benefit similar to that in the *Fortis Select* Life Insurance Plan. Under this provision, you may receive a partial benefit if you or your insured spouse should become terminally ill. The accelerated benefit may be as much as 50% of your (or your spouse's) life insurance amount. The minimum accelerated benefit is $5,000. The maximum benefit is $125,000 for you and $25,000 for your spouse.

When Does My Retiree Coverage End?

Your coverage ends if the company terminates the policy or if you fail to pay the premiums. Your dependents' coverage ends when yours does, or when a dependent no longer meets the eligibility requirements.

Both you and your dependents have the right to convert to individual policies.

ADDITIONAL INFORMATION

For more information about your rights under this Plan, please refer to the "Plan Administration" section of this book.

DEFINITIONS

DISABLED/DISABILITY

An injury or physical or mental disease which prevents you from doing any job for which your education, training or experience qualifies you.

THE INSURANCE COMPANY

The Life Insurance Plans described in this section are insured by Fortis Benefits Insurance Company. The Business Travel Accident Plan described in this section is insured by CIGNA. For more information refer to the "Plan Administration" section of this book.

PLAN PAY

The definition of plan pay for life insurance, accidental death and dismemberment and business travel accident is the same for long term disability. See the Definitions in the "Disability Benefits" section of this book.

Section Eight: Vacation Options — Schedule of Benefits

Vacation Buy Option

Eligible Employee Groups	All employees ***except*** at ASG, ALAC and Field Service employees at UFL
Minimum	Four hours
Maximum	Your regularly scheduled work week

Vacation Sell Option

Eligible Employee Groups	All employees* except at ASG, ALAC and UFL
Minimum	Four hours
Maximum	Your regularly scheduled work week

NOTE: Pricing is based on your base pay as of the preceding September 15th.

**Officers at any Fortis company are not eligible to sell vacation.*

Section Eight: Vacation Options

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VACATION OPTIONS: GETTING THE MOST OUT OF "YOUR TIME"

For many of us, vacation is one of the most important benefits the company offers. It's your time — to spend with family and friends, to travel, to explore new hobbies, or simply to relax. If you're a working parent with young children, you may want some extra vacation time to help you balance the demands of work and family life.

To give you greater flexibility so you can make the most of this precious time, the company has added a vacation option to the *Fortis Select* Program.

The *Fortis Select* vacation options, which are offered at most locations, let you buy or sell as much as one week of vacation. Employees of American Security Group, Auto Lenders Assurance Corporation and United Family Life-Field Service cannot buy or sell vacation. Employees of United Family Life-Home Office and officers of any Fortis company cannot sell vacation.

PLAN HIGHLIGHTS

You Can Buy Extra Vacation Time. Or Sell It.

Perhaps you want to take an extended vacation. Or maybe you don't use all the vacation time allotted to you. With the *Fortis Select* vacation options, you can buy as much as one week of additional vacation time. You can sell up to one week of your vacation allotment as long as you have three or more weeks of regular vacation time.

COST

How Much Does It Cost To Buy Vacation Time?

The cost of additional vacation time corresponds to your base pay on September 15th of the preceding year. So, if you earned $7 an hour on September 15th, you can purchase additional vacation time for the next year at a cost of $7 an hour.

The company will deduct the cost of any *Select* vacation time you buy from your paycheck in equal installments throughout the year. Equally important, you can apply your unused *Select Credits* or use before-tax deductions to pay for any Select vacation you buy.

How Much Does It Cost To Sell Vacation Time?

Assuming that you meet the eligibility requirements, if you choose to sell your vacation time, the process works in reverse. The company will give you additional *Select Credits* equal to the vacation that you sell. Here, too, the credits you receive are based on your base pay as of September 15th of the prior year. You can choose to use the additional credits to pay for before-tax benefits. If you prefer, the company will add the credits to your regular paycheck in equal installments throughout the year. If you receive the credits as cash, it will be included in your taxable income.

ENROLLMENT

When Can I Enroll?

There's only one time during the year when you can buy or sell *Select* vacation time: during the annual enrollment period. What's more, you cannot make any changes to your *Select* vacation choices during the year, even if you have a life event. So plan ahead. Your *Fortis Select* vacation elections will be in effect for the entire plan year. If you want to buy or sell vacation during the following plan year, you must re-enroll for *Select* vacation during the annual enrollment period.

Taking your vacation is subject to your supervisor's approval and work flow needs, so be sure to check with your supervisor before buying any *Select* vacation.

YOUR SELECT VACATION TIME

How Much Can I Buy?

You can buy a minimum of four hours of *Select* vacation time. From there, you can buy additional vacation time in one hour increments up to a maximum of one week's time. If your normal work week includes a fraction of an hour, your maximum *Select* vacation purchase will be rounded up to the next hour. If, for example, you normally work 37 1/2 hours a week, you can buy up to 38 hours of *Select* vacation time.

How Much Can I Sell?

Assuming you're eligible, the same rules that apply to buying vacation time also apply to selling it. The minimum amount you can sell is four hours. The maximum is one week.

When Can I Take My *Select* Vacation Time?

Before you can use the *Select* vacation time you've purchased, you'll need to use up your regular vacation time. What's more, you can't carry unused *Select* vacation time over to the next calendar year. If you don't use it by the end of the calendar year, you lose it. So plan carefully. Remember, once you enroll, you can't make any changes until the following year, even if you have a life event.

ADDITIONAL INFORMATION

If you leave the company before paying for all the purchased vacation time that you used, the company will deduct the amount you owe from your final paycheck. Similarly, if you are owed money for selling vacation, the company will include the amount due you in your final paycheck. Money you receive for selling vacation days is taxed as ordinary income.

If you have any questions about your *Select* vacation option, please contact your Human Resources/Benefits Department.

SEVERANCE PLAN

The Fortis, Inc. Severance Pay Plan was established January 1, 1992 by Fortis, Inc. and its companies. The Plan, which supersedes all prior written or unwritten severance pay plans or practices, is designed to provide you with unemployment benefits. These benefits can help ease your transition to a new job in the unfortunate event of a reduction in our workforce. It is not intended to provide benefits in recognition of prior years of service with the company.

The severance pay plan is not a part of *Fortis Select*.

ELIGIBILITY

In all cases, severance pay is granted entirely at the discretion of the company. In order to be eligible for severance benefits, you must execute a general release, as required by the Plan Administrator, releasing Fortis, Inc. and its affiliates from all employment-related liability.

BENEFIT COVERAGE DURING SEVERANCE

Your benefits are not continued during the period you receive severance.

You should refer to the section *Fortis Select* for information on continuing certain coverage under COBRA and the conversion privilege.

ERISA INFORMATION

Plan Name

The official plan name is the Fortis, Inc. Severance Pay Plan.

Plan Number

The plan number is 515.

Plan Type

The Fortis, Inc. Severance Pay Plan is a welfare plan that provides severance pay.

Plan Administration

The Fortis, Inc. Severance Pay Plan is a self-funded plan administered by its companies.

Plan Sponsor

The plan sponsor is Fortis, Inc., One Chase Manhattan Plaza, New York, New York 10005. The telephone number is (212) 859-7000.

Other ERISA Information

Section ten of this book describes your rights under the Employee Retirement Income Act of 1974 (ERISA). Your ERISA rights apply to the Fortis, Inc. Severance Pay Plan, just as they do to your *Fortis Select* benefit plans.

EVERYTHING YOU WANT TO KNOW ABOUT YOUR EMPLOYEE BENEFITS

This book contains "summary plan descriptions" for all the Plans in the *Fortis Select* program as of January 1, 1997 and the Severance Plan.

It's a lot of explanations. But then, it's a lot of benefits! As a Fortis employee, you have one of the most comprehensive plans available.

The descriptions give you full details of the Plans, including legally required information. At the same time, they're written so you can easily find answers to any questions that come up about your benefits. Please hold onto this book and use it for reference.

Section One, the Introduction, explains the thinking behind the program. That is, the values and the goals on which this program is built. It also contains important information about regional variations in benefits.

Section Two, *Fortis Select*, describes important features that apply to all the Plans within the program. Look there for information about enrollment, cost or coverage at termination.

Sections Three through Nine describe the provisions of each individual Plan. These sections tell how each Plan works: what's covered, what's not covered, important definitions and more. Each section has its own table of contents and begins with a schedule that outlines the major features of the Plan.

Section Ten, Plan Administration, gives you information about how claims are processed, what to do if your claim is denied, whom to call with questions or problems, and other legally required information.

OUR VALUES

Our products and services touch people's lives in sickness and health, life and death, disability and rehabilitation, goals and dreams. At Fortis, we share a set of values that help make us the kind of company people count on throughout their lifetimes. The Fortis values are:

Common sense
Common decency
Uncommon thinking
Uncommon results

These values express our commitment to excellence. To doing the right thing. Keeping our promises. We live by our values not only in relation to our customers, but to one another. These values are reflected in the design of your benefits program.

Fortis Select goes beyond basic protection to give you a range of programs that you can adapt to meet your needs. The Plans also reflect our commitment to fiscal responsibility, both to you and to our policyholders. The goal is to provide you with all the financial protection you need — while remaining cost effective. That's excellent value.

YOUR BENEFITS IN THE FUTURE

While Fortis intends to maintain the Plans described in this book, it may change or terminate them at any time or for any reason. If this happens, you will receive notice about any change that affects you or your family.

PARTICIPATING COMPANIES

The following Fortis companies participate in the *Fortis Select* program:

- AdultCare, Inc. (AC)
- American Security Group (ASG)
- Auto Lenders Acceptance Corporation (ALAC)
- First Fortis Life Insurance Company (FFL)
- Fortis Financial Group (FFG)
- Fortis Benefits Insurance Company (FBIC)
- Fortis Healthcare/Time Insurance Company (TIC)
- Fortis, Inc. (FI)
- Fortis Long Term Care (FLTC)
- Fortis Sales
- United Family Life Insurance Company (UFL)

REGIONAL VARIATIONS IN BENEFITS

Regional health care networks, preferred provider organizations (PPOs) and health maintenance organizations (HMOs), are fast becoming the standard in health care delivery. They offer employers the opportunity to negotiate coverage and cost with local providers. However, network service areas are limited by geography.

This means that the benefits available to you, and their costs, are based on the geographic location in which you live and work, rather than on the specific company for which you work.

Section Ten: Plan Administration

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PLAN ADMINISTRATION

The *Fortis Select* Benefits Program is an important part of your total compensation. The program is designed to help you meet a variety of financial needs, such as ordinary health care expenses, expenses associated with a serious illness or accident, disability or death. The Plans form a solid financial base to help you meet these needs. You should remember, however, that these Plans are not intended to be your sole financial resource. You should supplement these benefits with personal savings and careful financial planning.

This section contains information about how the *Fortis Select* benefit plans are administered and your rights under the Employee Retirement Income Security Act of 1974 (ERISA).

YOUR BENEFITS AT A GLANCE

You will find a chart that summarizes the main features of the Plan in the front of each section. Be sure to read the complete text of each section for more complete information on each of the Plans.

ERISA INFORMATION

Plan Name	**FORTIS, INC. EMPLOYEES' GROUP MEDICAL PLAN**
ERISA Plan Number	501
Type of Plan	An employee welfare plan that provides benefits for medical expenses
Type of Administration	A self-funded plan administered by CIGNA and various Health Maintenance Organizations which finance and administer their respective plans.
Plan Trustee (for self-funded plan only)	Marshall & Ilsley Trust Company, 1000 N. Water Street, Milwaukee, WI 53202

Plan Name	**FORTIS, INC. EMPLOYEES' GROUP LIFE PLAN**
ERISA Plan Number	503
Type of Plan	An employee welfare plan that provides life, accidental death and dismemberment, business travel accident and dependent life insurance benefits
Type of Administration	An insured plan which has contracts with Fortis Benefits Insurance Company and CIGNA (business travel accident insurance)
Plan Trustee	N/A

Plan Name	**FORTIS, INC. EMPLOYEES' GROUP LTD PLAN**
ERISA Plan Number	504
Type of Plan	An employee welfare plan that provides short and long term disability benefits
Type of Administration	An insured plan which has contracts with Fortis Benefits Insurance Company.
Plan Trustee	N/A

Plan Name	**FORTIS, INC. EMPLOYEES' GROUP DENTAL PLAN**
ERISA Plan Number	509
Type of Plan	An employee welfare plan that provides dental benefits
Type of Administration	A self-funded plan administered by Fortis Benefits Insurance Company
Plan Trustee	Marshall & Ilsley Trust Company, 1000 N. Water Street, Milwaukee, WI 53202

ERISA INFORMATION (continued)

Plan Name	**FORTIS, INC. EMPLOYEES' FLEXIBLE BENEFITS PLAN**
ERISA Plan Number	510
Type of Plan	A fringe benefit plan which permits payment of eligible employee contributions on a before-tax basis.
Type of Administration	N/A
Plan Trustee	N/A

Plan Name	**FORTIS, INC. SPENDING ACCOUNTS PLAN**
ERISA Plan Number	511
Type of Plan	A welfare benefits plan which permits the payment of eligible health care and dependent care expenses on a before-tax basis.
Type of Administration	A self-funded plan administered by CIGNA
Plan Trustee	N/A

Plan Name	**FORTIS, INC. EDUCATIONAL ASSISTANCE PLAN**
ERISA Plan Number	514
Type of Plan	A fringe benefit plan which provides educational assistance.
Type of Administration	A self-funded plan administered by the affiliate.
Plan Trustee	N/A

Plan Name	**FORTIS, INC. EMPLOYEE ASSISTANCE PROGRAM**
ERISA Plan Number	599
Type of Plan	A welfare benefit plan which provides counseling and referral services.
Type of Administration	A plan administered by MCC Behavioral Health (FI, ASG, FBIC-WB, FFG, TIC and UFL); New Directions (FBIC-KC, FFL)
Plan Trustee	N/A

Plan Sponsor

The sponsor for all of the Plans is Fortis, Inc., One Chase Manhattan Plaza, New York, New York 10005. The telephone number is (212) 859-7000.

Other ERISA Information

This book describes your rights under the Employee Retirement Income Act of 1974 (ERISA). Your ERISA rights apply to the Fortis, Inc. Severance Pay Plan, just as they do to your *Fortis Select* benefit plans.

Plan Administrator

The Plan Administrator has complete authority to interpret and apply the terms of the Plans and make eligibility and factual determinations. Any decision made by the Plan Administrator is final and binding.

The Plan Administrator for all the Plans is the Fortis Inc. Benefit Plans Committee, One Chase Manhattan Plaza, New York, New York 10005. The telephone number is (212) 859-7000.

Claim Appeal

If an application for benefits is denied in whole or in part, you or your beneficiary will receive written notification from the Plan Administrator or a third party designated by the Plan Administrator (for example, the claims payer). The notification will normally be sent in 90 days — unless special circumstances require another 90 days. If an extension of time is necessary, you will be advised.

You will be notified of the reasons for the denial with reference to the specific provisions of the plan on which the denial is based, a description of any additional information needed to process the claim and an explanation of the claim review procedure. Within 60 days after receiving the denial, you may submit a written request for reconsideration of your claim to the Plan Administrator (or the designated third party). This request should be accompanied by documents or records in support of the appeal.

The Plan Administrator (or the designated third party) will respond within 60 days — 120 days under special circumstances — after receipt of the appeal, explaining the reasons for the decision, again with reference to the specific provisions on which that decision is based.

The Plan Administrator has the right to interpret the provisions of the plans and its decisions are conclusive and binding.

Employer Identification Number

The Employer Identification Number assigned by the Internal Revenue Service is 39-1126612.

Legal Service

For all of the Plans, process can be served on the Assistant Vice President of Employee Benefits, Fortis, Inc., One Chase Manhattan Plaza, New York, New York 10005.

Plan Records

All the Plans are maintained on a calendar year basis, beginning January 1 and ending on December 31 of each year.

Plan Continuation

Fortis Inc. expects to continue the Plans but reserves the right to amend or terminate them at any time or for any reason.

Plan Documents

This book summarizes the key features of the Plans in your *Fortis Select* Benefits Program. Complete details of each Plan can be found in the plan documents, trust agreements and/or insurance company contracts which legally govern the operation of the plans. All statements made in this book are subject to the provisions of these documents. Oral statements or representations cannot change the provisions of the Plans. Copies of these documents, as well as the latest annual report of the operations of each of the Plans, are available for review anytime during normal working hours in the offices of the Plan Administrator. You have the right to request copies of these documents.

Your Rights Under ERISA

With the exception of the Salary Continuation Program, the benefits provided by the *Fortis Select* Benefits Program are covered by ERISA (the Employee Retirement Income Security Act of 1974). The Salary Continuation Program is a payroll practice.

ERISA does not require Fortis to provide benefits. But it does set standards for any benefits the company wishes to offer — and it requires that you be given an opportunity to learn what those benefits are and your rights to them under the law.

Your benefit book is one of the ways in which we keep you informed. Also, each year, you receive — at no cost — a copy of the summary annual report of each Plan's financial activities. As mentioned earlier, you can review all supportive plan documents. You have a right to expect the plan fiduciaries — the people who are responsible for the management of the Plans — to act prudently and in the interests of plan members. Another one of your rights relates to the claim and appeal procedure described earlier — the right to receive written notice if your claim for benefits should, for any reason, be denied in whole or in part and the right to have your claim reconsidered. The company cannot discriminate against you in any way to prevent you from obtaining benefits from these Plans or exercising your rights.

Because your rights under ERISA are protected by law, you can also file suit if the need ever arises. For example, if the Plan Administrator should fail to furnish within 30 days any documents you have requested in writing, you can file suit in a federal court. The court may require the Plan Administrator to pay you up to $100 for each day's delay until the materials are received — unless the documents were not sent due to matters beyond the control of the Plan Administrator.

You or your beneficiary can also seek assistance from the U.S. Department of Labor or file suit in a federal court, if you believe a fiduciary has misused plan funds or if your rights under the law are interfered with. Legal action can also be taken in either a state or federal court if you believe you have been improperly denied a benefit.

The court will decide who pays court costs and legal fees. If you are successful, the other party may have to pay. But if you lose — because, for example, your case is considered frivolous — you may have to pay all these costs and fees on your own.

If you have any questions about the Plans, contact your Human Resources/Benefits Department.

If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

WHOM TO CALL FOR WHAT

The charts at the end of this section give you information about the insurance companies and service providers who administer the Plans. If you or your beneficiary have a question about benefits or need help filing claims, you should contact your Human Resources/Benefits Department.

Medical Claims	**CIGNA HealthCare Service Center** P.O. Box 8012 Plainville, CT 06062 1-800-962-3368 Account # 2216550
Mental Health/ Substance Abuse Claims	**MCC Behavioral Care** 11095 Viking Drive Eden Prairie, MN 55344 1-800-926-2273 Account # 2216550
Prescription Drugs Claims	**Diversified (FTS)** Mail Route # 2152 P.O. Box 4999 International Falls, MN 56649-4999 1-800-233-8065 Account # 628
Utilization Review *(including Smart Choices, Health Babies and Centers of Excellence Programs)*	**Intracorp** 1-800-982-8958 Account # 2216550

HealthPartners
8100 34th Avenue S.
P.O. Box 1309
Minneapolis, MN 55440-1309
(612) 883-5229
Contract # 3482-04

Medica
5601 Smetana Drive
P.O. Box 1459
Minneapolis, MN 55440
(612) 992-3704
Contract # 06028 (FBIC-WB)
Contract # 04317 (FFG)

M Plan
8802 N. Meridian Street
Suite 100
Indianapolis, IN 46260
(317) 571-2241
Contract # 1450000

Humana Health Care Plans
10450 Holmes
Suite 100
Kansas City, MO 64131-3471
(816) 941-5430
Contract # 30135

Principal Health of Kansas City
1001 E. 101 Terrace
Suite 230
Kansas City, MO 64131
(816) 941-3030 ext. 183
Contract # 6314

US Healthcare
1425 Union Meeting Road
P.O. Box 3013
Blue Bell, PA 19422
1-800-448-7423
Contract # C508N-00

HealthSource New York, Inc.
P.O. Box 1498
Syracuse, NY 13201-1498
1-800-999-0874
Contract # 630-01

PruCare
839 Paces Ferry Road
Suite 1000
Atlanta, GA 30339
(770) 431-5296
Contract # 57986

NYL Care Health Plans
(Sanus Texas)
4500 Fuller Drive
Irving, TX 75038-6597
(214) 650-5500 ext. 8167
Contract # 30026

Family Health Plan
11524 W. Theo Trecker Way
Milwaukee, WI 53214
(414) 256-0040
Contract # 0834

Principal Health Care of Florida, Inc.
9130 South Dadeland Blvd.
Suite #1116
Miami FL 33156
1-800-821-1530
Contract # 202274

Employee Assistance Program

MCC Behavioral Care
11095 Viking Drive
Eden Prairie, MN 55344
1-800-554-6931
Account # 216550

Employees of FBIC-KC and FFL	**New Directions** 205 Baltimore Avenue # 595 Kansas City, MO 64108 1-800-669-6777 Account # 2057
Dental Claims	**Fortis Benefits Insurance Co.** Company Plan Claims Administrator P.O. Box 419401 Kansas City, MO 64141-6401 1-800-735-4226 Group # S1000107
Short Term Disability Claims **Long Term Disability Claims**	**Fortis Benefits Insurance Co.** Company Plan Claims Administrator P.O. Box 419401 Kansas City, MO 64141-6876 1-800-998-7858 Policy # 61,890-4 *(Short Term)* Policy # 61,890-5 *(Long Term)*
Life Insurance Claims *(includes employee and dependent life as well as AD&D):*	**Fortis Benefits Insurance Co.** P.O. Box 419876 Kansas City, MO 64108-6876 (816) 474-2345 Policy #G 61,890 *(Basic Life, Supplemental Life, Basic AD&D and Dependent Life)* G 61,890-A *(Supplemental AD&D)*
Business Travel Accident Claims	**CIGNA** 12225 Greenville Avenue Suite 655 Lockbox 179 Dallas, TX 75243 1-800-352-0611 Policy # ABL 656485
Flexible Spending Account Claims	**CIGNA Reimbursement Accounts** P.O. Box 2370 Pittsburgh, PA 15230-2370 1-800-242-2269 Account # 2216550